

# Region III Report

News from around the Region

January – March 2005

U.S. Small Business Administration  
Region III – Serving Delaware,  
Maryland, Pennsylvania, Virginia,  
West Virginia and Washington, D.C.

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## Volume 3

## Issue 1

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### For More Information

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam. For the office nearest you, look under "U.S. Government" in your telephone directory, or call the SBA Answer Desk.
- SBA Answer Desk: 1-800 U ASK SBA
- Fax: (202) 205-7064
- E-mail: [answerdesk@sba.gov](mailto:answerdesk@sba.gov)
- TDD: (704) 344-6640
- Your rights to regulatory fairness: 1-(800) REG-FAIR
- SBA Home Page: [www.sba.gov](http://www.sba.gov)

All of the SBA's programs and services are provided to the public on a non-discriminatory basis.

## Faith-based, community initiative is a priority

Over the last few months every district in Region III has engaged in a proactive campaign to identify and educate people associated with faith-based and community organizations about SBA programs and services. The letters sent and phone calls made have earned us many invitations to present our programs to members of these organizations.

I have attended most of the events and I'm pleased with the progress and the effort made. However, I do want to reiterate that President George W. Bush directed SBA and other agencies to insure that these organizations and their members have every opportunity to avail themselves of our services.

The President's goal is to make sure that grassroots leaders can compete on an equal footing for federal dollars and receive greater private support for small businesses in their community.

Our interest in carrying out this edict is simply to foster economic growth, job creation, and stable communities. SBA is in a unique position, with its financial, technical, and counseling programs, and its procurement opportunities, to provide valuable help at the community-level.

Creating the opportunity for more people to pursue their entrepreneurial ambitions is our business. I know we can make a positive difference if we maintain our vigorous grass-roots campaign. Continue your good work.



Stephanie A. Watkins  
Regional Administrator, Region III

## Expo '05 on-line registration is now available

**WASHINGTON** — Small business owners, entrepreneurs and others who would like to take part in the National Small Business Week celebration in April at the U.S. Small Business Administration's *SBA Expo '05* can now register online to attend the event, the SBA announced recently.

The annual celebration honoring the *National Small Business Person of the Year* will take place in Washington, D.C., April 26 through 28, at the Hilton Washington Hotel. It will showcase Small Business Persons of the Year winners from each state, and feature a special awards ceremony for Government Procurement winners, Women in Business and the SBA's Hall of Fame recognizing successful companies that started with SBA assistance.

Business owners, business organizations and other individuals can register for *SBA Expo '05* events online at [www.sba.gov/expo](http://www.sba.gov/expo).

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Information on *SBA Expo '05* events is available on the SBA's conference Web site, and will be updated regularly with new event information.

Registrants, who complete the process by March 24, will be given an "early bird" registration discount. March 24 is also the deadline for the conference hotel room rate at the Hilton. Exhibitor registration is available online.

*SBA Expo '05: Celebrating National Small Business Week* will feature special events that include a small business expo, a business matchmaking event, business seminars, a town hall meeting and award ceremonies honoring the nation's top entrepreneurs and state and national small business winners. Other highlights will include notable speakers and business industry leaders from trade associations, and local and federal governments.

This year's Business Matchmaking will consist of a full-day at the start of the expo, as well as an additional half-day. The matchmaking will pair small businesses or "sellers" with government or corporate executives or "buyers" to make on-site contracting deals.

### **Small Business Factoid**

**Did you know that** home-based businesses now account for more than half or 53 percent of the small business population in the United States? They represent a broad range of industrial sectors.

About 60 percent are involved in service industries, 16 percent in construction and 14 percent in retail trade. The remaining 10 percent are scattered across manufacturing, finance, transportation and communications.

## **SBA pays tribute to America's small businesses**

The U.S. Small Business Administration's annual National Small Business Week commemoration, *SBA Expo '05*, will be held in Washington, D.C., April 26 through 28, at the Hilton Washington Hotel.

The celebration honors America's leading entrepreneurs, and includes the announcement of the *National Small Business Person of the Year*. Special events this year will include a small business expo, a business matchmaking event, business seminars, a town hall meeting, and award ceremonies honoring women entrepreneurs and state and national small business winners.

"SBA Expo '05 celebrates the many contributions of the small business men and women whose hard work and perseverance creates opportunities for millions of Americans," said

Administrator Hector V. Barreto. "The SBA is proud to honor the spirit of entrepreneurialism that has helped strengthen the nation's economy."

For more information about *SBA Expo '05*, visit the SBA Web site <http://www.sba.gov/expo/>.

Local Small Business Week celebrations in Region III include: May 12-West Virginia, May 13-Baltimore, May 19-Washington Metropolitan District Office, May 19-Philadelphia, May 20-Pittsburgh, May 20-Richmond, and May 24-Delaware.

If you are interested in attending these local celebrations, please contact the district office or visit the district office websites. You can locate links to each district office from <http://www.sba.gov/>.



## **Enthusiastic crowd attends Faith-based event**

**By Peggy FaJohn**

Public Information Officer

**Richmond, Va.** – The Richmond District Office held its second faith-based event on Saturday, March 12 at Mosby Memorial Baptist Church in Richmond, Va.

The audience of 30 included 11 existing business owners, five of whom had been in business for more than 10 years. An owner of a local security firm remarked to the group that he had received helpful SBA assistance more than 20 years ago.

Pastor Barry T. Young welcomed the attendees and introduced Houston Gray, Acting District Director. Gray explained that the workshop was part of a new SBA initiative to reach out to faith-based and community organizations and their members to provide information on small business ownership.

SBA speakers included Ernestine Harris who outlined SBA's government contracting programs, James Williams who counseled attendees on the basics of business ownership, and Ford Scott who described the various SBA guaranty lending programs. Technical assistance provider Susan Carlson from the International Center for Assistance, Inc., provided an overview of the SBA Community Express Loan Program. Richard Saunders of the Richmond SCORE Chapter 12 explained how SCORE can help small businesses in the start-up phase.

## Beckley, WV Women's Business Center opens

**By Rick Haney**  
Public Information Officer

**Beckley, WV** - Region 1 Workforce Investment Board, a non-profit organization, recently received funding from the U.S. Small Business Administration Office of Women Business Ownership to open a Women's Business Center in West Virginia. The new center, located in the Workforce West Virginia Career Center at 201



Grey Flats Road, in Beckley, opened on Jan. 21.

Angela Henson, Project Director of the Women's Business Center said, "We are very excited about the new center and the

tremendous impact it will have, not only on the women of southern West Virginia, but the economy as well."

She continues, "Our mission is to nurture leadership, independence, and entrepreneurship for women in West Virginia. The WBC will provide business training, counseling, and technical assistance to women who own or desire to own a business."

One of the key services offered by the WBC is training. The sessions will include an initial business planning and financing workshop, a six week business plan writing course, computer classes, customer service, marketing, and credit repair. The WBC is also planning to have an annual Women's Business Conference.

SBA's West Virginia Director Judy McCauley adds, "The Women's Business Center will provide an excellent opportunity to further enhance women entrepreneurship in West Virginia. We are thrilled to be associated with the center and pledge our support to them and the women business owners in West Virginia."

For information about the Women's Business Center, contact them at (304) 253-3145.

## Regional Administrator Watkins, region's district directors attend lenders' Quality Circle

**Philadelphia, Pa.** – Stephanie Watkins, Regional Administrator, Region III based in Philadelphia spoke to more than 200 lenders at the 10<sup>th</sup> annual lenders' Quality Circle sponsored by the Western Pennsylvania Association of Guaranteed Lenders.

During the opening luncheon at the Seven Springs Resort in Champion, PA Watkins talked about Fiscal Year 2004's success saying, "Last year, SBA backed a record number of loans over all and to women, minorities and veterans. This year, we are projecting another record year."

Each year lenders from Region III, Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and the Washington, D.C. metropolitan area gather to learn about and discuss changes in SBA programs that affect their lending programs. This year, there was a focus on the Certified Development Company, 504 Loan Program used for purchasing equipment and real estate.

As of mid- February, the region's 504 loan output is up 29 percent from the mark set last year for the same period. However, that is not sufficient given that fact that there were only 432 504 Program loans in Fiscal Year 2004. However, Watkins stressed, "The region can and should do much more."

Watkins was joined at the conference by Region III District Directors Jayne Armstrong, Delaware; Allan Stephenson, Baltimore, Maryland; Tom Tolan, Philadelphia; Carl Knoblock, Pittsburg; Houston Gray, Virginia; Judy McCauley, West Virginia, and Joe Loddo, Washington, D.C.

## Pittsburgh District office honors top SBA lenders at annual lenders' Quality Circle, Seven Springs

**By Carrie Herron**  
Public Information Officer (Alternate)

The U.S. Small Business Administration, Pittsburgh District Office honored the accomplishments of the top participating SBA lenders at the 10<sup>th</sup> Annual Lenders' Quality Circle at Seven Springs Resort, in Champion, Pa. on March 10.

The conference for lenders and resource partners is sponsored by the Western Pennsylvania Association of Guaranteed Lenders. In addition to the 2004 Leadership Award, the Most Active 7(a) Lender and the 2004 Champion Awards were also presented.

Regional Administrator Stephanie Watkins and Pittsburgh District Director Carl Knoblock presented new awards this year to extend the district's appreciation of lender efforts to provide financial assistance to entrepreneurs.

The Leadership Circle Certificates, which are based on the number of loans made during Fiscal Year 2004, were presented to the following lending institutions:

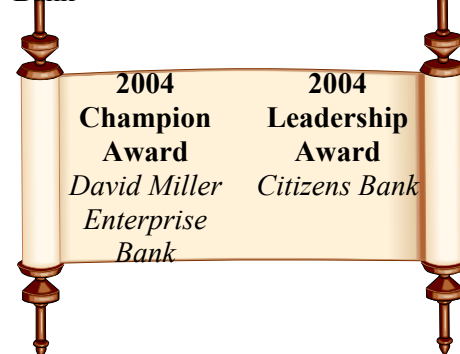
**Platinum Award (250 or more loans)**  
\*First Commonwealth Bank

**Gold Award (100-249 loans)**  
\*National City Bank of Pennsylvania  
\*PNC Bank, National Association

**Silver Award (50-99 loans)**  
\*First National Bank of Pennsylvania  
\*Enterprise Bank  
\*Capital One, FSB

**Bronze Award (20-49 loans)**  
\*Sky Bank  
\*Nittany Bank

**Asset Builders Award**  
\*Most Active CDC – CL 504, Inc.  
\*Most Active 504 Lender – Enterprise Bank





# Matchmaking is win-win for government and small business

**By John Fleming**

Public Information Officer

The U.S. Government is the largest procurer of goods and services in the world, spending more than \$300 billion each year.

A statutory goal is established to award at least 23 percent of those dollars or \$55 billion to small businesses. In Fiscal Year 2003 the federal government exceeded that goal by awarding \$65.5 billion in prime contracts to small businesses.

“There's never been a better time for small businesses to deal with large corporations and government agencies,” said Tom Tolan, SBA's Philadelphia District Director. “Changes in federal law, coupled with incentives to big business and SBA's procurement programs have made it easier for small businesses to participate in this huge marketplace.”

The newest SBA procurement program is Business Matchmaking. It is a public-private sector contracting initiative made possible through a cooperative agreement between the SBA and Hewlett-Packard.

Matchmaking events provide a unique opportunity for small businesses to present product and service solutions to buyers through prescheduled one-on-one appointments with procurement managers.

During 2005, SBA will hold major regional face-to-face Business Matchmaking events in Nashville, Los Angeles, Milwaukee, and Washington, D.C. More information on the national events can be found at [www.businessmatchmaking.com](http://www.businessmatchmaking.com).

Philadelphia District Business Matchmaking events in 2005 include:

- Chester Buyers Fair, City Hall, Chester PA  
February 17th – This event was hosted by the Delaware County Chamber of Commerce. SBA provided training and participated as an exhibitor.
- How to Do Business with the Corps of Army Engineers: Matchmaking Training Seminar on February 17th – This was a unique training and matchmaking event conducted



Philadelphia District Marketing Specialist Anna Gallardo (right) and Delaware District Business Opportunity Specialist Kai Brunswick (center) talk to small business owners during a recent Philadelphia District Office business matchmaking event.

via satellite with the Commander of the Army Corp of Engineers.

- Small Business Procurement Fair at the Valley Forge Convention Center, King of Prussia, PA  
March 2nd – This event was hosted by Alliance Mid-Atlantic and SBA employees were involved in the trade show and workshops. Regional Administrator Stephanie Watkins provided remarks and Dan Sossaman, the Philadelphia District Office chief of finance was part of a business financing panel.

The following are local matchmaking events in the planning stages:

- Delaware County Chamber of Commerce Buyers Fair in September 2005
- Chester County Chamber of Commerce's matchmaking event in August 2005

For more information on all of the SBA's programs and initiatives, go to the SBA's Web site at [www.sba.gov](http://www.sba.gov) or contact the SBA district office in your area.

## ***Congratulations, Maryland SCORE receives national award for service***

**Baltimore, Md.** – Allan Stephenson, SBA District Director, Baltimore District Office, congratulates Maryland SCORE, Counselors to America's Small Business on their recent award from the national SCORE office. During their annual convention, national SCORE honored the Maryland district as the number one district in the country for follow-up consultations with clients.

The Maryland chapters received a rating of 44 percent, with the nearest chapter coming in at only 34 percent. Steven Rosenstein, District Chair, attributes this success to the outstanding dedication of SCORE members throughout the state. Allan agrees that Maryland entrepreneurs are fortunate to have such a knowledgeable and committed resource in SCORE. “Congratulations and thank you to each SCORE member throughout Maryland,” Stephenson said.  
(Submitted by Rachel Howard, Public Information Officer, Baltimore District Office)

## People on the Move

### *Virginia District Office*

**Ronald Bew** was recently appointed to the position of district director in the Richmond, Virginia District Office. In this position, he will manage the delivery of SBA programs and services to small businesses throughout the state. Bew served as the associate deputy administrator for SBA's Office of Capital Access in Washington from 2002 to mid-March.

### *West Virginia District Office*

**Nick Lambernedis**, Business Information Center (BIC) retired Jan. 31. Lambernedis served more than 21 years with SBA, the last nine of which were spent as BIC manager.

He is now a volunteer at Upper Monongalia Valley SCORE Chapter 537 in Fairmont, WV.

**David Higgs** was recently welcomed to the West Virginia District Office as District Counsel. Higgs previously served as Attorney Advisor for the Tennessee District Office. He has nearly 17 years experience with SBA.

**Doug Aspy**, Business Opportunity Specialist, retired in December 2004. Aspy served more than 30 years with the SBA and Internal Revenue Service.

### *Philadelphia District Office*

**Michael Murray**, Business Opportunity Specialist, retired in January 2005. Murray worked more than 20 years with the SBA.

**Jim Corbett**, Business Opportunity Specialist retired in January 2005 after more than 31 years with the SBA.

### *Baltimore, Md. District Office*

**Pamela Wilson**, Business Opportunity Specialist, left the SBA Baltimore District Office after 24 years of service. She accepted a new position with the U.S. Department of Treasury in Washington, D.C.



*West Virginia District 2004 Small Business Person of the Year Robin Hildebrand (right), owner of Blue Smoke Salsa receives recognition from (left to right) U.S. Small Business Administration Deputy Administrator Melanie Sabelhaus, West Virginia District Director Judy McCauley, Regional Administrator, Region III Stephanie Watkins at the Ansted, WV business in October 2004.*



*(Left to right) U.S. Small Business Administration Regional Administrator, Region III Stephanie Watkins, Stephanie King, Office of the Deputy Administrator, Deputy Administrator Melanie Sabelhaus, West Virginia District Director Judy McCauley and Region 1 Workforce Small Business Development Center program manager Tennis Parrish are gathered at a Woman's Expo in Princeton, West Virginia in October of 2004.*

## ***Tax rates affect entrepreneurial entry, duration, and exit***

**Washington, D.C.** – Reducing marginal income tax rates on entrepreneurs increases entrepreneurial entry, decreases exit from entrepreneurship, and lengthens the duration of entrepreneurial ventures, according to a study released recently by the Office of Advocacy of the U.S. Small Business Administration.

For the full story, go to the Advocacy Web site at <http://www.sba.gov/advo/press/05-12.html>.



## Hearing Set for Small Business Owners to Comment About Excessive Federal Regulatory Enforcement

**By Peggy Fajohn**  
Public Information Officer

**Richmond, Va.** – Small business owners, community leaders and representatives of trade associations concerned about excessive enforcement of federal rules can voice their complaints at a U.S. Small Business Administration Regulatory Fairness Board Hearing in Salem, Virginia on Thursday, April 7 from 1:00 p.m. to 3:30 p.m.

The hearing will be held at the National College of Business & Technology, Roanoke Valley Campus, 1813 East Main Street, Salem, Va. in the conference center, room 135.

SBA National Ombudsman Senior Advisor Peter Sorum, members of SBA's Region III Regulatory Fairness Board, and representatives of federal regulatory agencies will hear comments and complaints about regulatory enforcement and compliance.

"One of the biggest concerns small business owners face is unfair enforcement of federal regulations. They also worry about telling their stories because they fear retaliation by federal agencies," Sorum said.

"Small business owners want to play by the rules and comply with federal regulations," he added. "And, we want to encourage federal regulators to assist business owners with compliance rather than go straight to the penalty stage."

This forum offers small business owners a chance to express their concerns about federal compliance practices in SBA's Richmond District area, which includes all of Virginia with the exception of the Cities of Arlington and Alexandria and the Counties of Fairfax and Loudoun.

Comments and complaints presented during the hearing will be directed to the appropriate federal regulatory agency. This information will also be shared with federal officials in the Ombudsman's annual report to Congress, and with managers of federal regulatory agencies to assist them with their enforcement actions.

The National Ombudsman's authority to respond to comments on compliance issues is limited to federal regulatory enforcement matters and does not include concerns about obtaining federal contracts, regulations in general, or securing guaranteed loans.

The Salem hearing is open to the public. Those wishing to testify should contact Peggy FaJohn at (804) 771-2400, ext. 126, or by email at [margaret.fajohn@sba.gov](mailto:margaret.fajohn@sba.gov) before the hearing. Should a small business owner or representative be unable to attend, written testimony may be sent in advance of the hearing and entered in the public record. Testimony may also be taken during the hearing by telephone at (540) 986-1800, ext. 402.

## Survival Rates Differ From Non-Minority Business

**Washington, D.C.** – Minority-owned businesses expand, contract, and survive at rates that differ from non-minority owned business, according to a study released recently by the Office of Advocacy of the U.S. Small Business Administration. The report tracks the success of minority-owned employer establishments that were in operation from 1997 to 2001.

"This report provides new insights into the dynamics of minority-owned business establishments," said Thomas M. Sullivan, Chief Counsel for Advocacy. "These insights are important for policy-makers working to expand an ownership society to all segments of our society."

For the full story go to Web site <http://www.sba.gov/advo/press/05->

## SBA's 2006 proposed budget provides for record capital for small businesses

**Washington, D.C.** – The U.S. Small Business Administration recently announced a fiscal year 2006 budget request of \$593 million that provides a record \$22 billion in loan authority for the agency's flagship lending programs.

On the technical assistance side, the budget requests \$88 million for Small Business Development Centers, \$12 million for Women's Business Centers and \$5 million for SCORE, Counselors to America's Small Businesses.

"The SBA's fiscally responsible FY 2006 request is good for small businesses and good for the American taxpayer," said SBA Administrator Hector V. Barreto. "From a lending perspective, it builds on our successes in the past year, when we reached more small businesses, including more women and minority entrepreneurs. We also continue to strive to be efficient and innovative in our use of technology as we deliver financing, technical assistance, education and counseling and contracting programs to our clients."

As in FY 2005, the 7(a) loan guaranty program will be at a zero subsidy, meaning that the program is sustained entirely by modest fees paid by the lenders and borrowers, without requiring an appropriation of taxpayer funds.

Highlights of the proposed FY 2006 SBA budget include:

- \$16.5 billion in lending authority for the 7(a) loan guarantee program;
- \$5.5 billion in lending authority for the 504 Certified Development Company program with a zero subsidy;